

Instructions for Form FTB 3500A

Submission of Exemption Request

Exemption Based on 501(c)(3) Federal Determination Letter

References in these instructions are to the Internal Revenue Code (IRC) as of January 1, 2005, and to the California Revenue and Taxation Code (R&TC).

General Information

All corporations and unincorporated organizations, even if organized on a nonprofit basis, are subject to California corporation franchise or income tax until the organization applies for exemption under California law using either form FTB 3500, Exemption Application, or form FTB 3500A, Submission of Exemption Request, with a copy of the organization's Internal Revenue Code (IRC) section 501(c)(3) federal determination letter. If the organization submits form FTB 3500A, the FTB will send the entity a letter acknowledging receipt and specifying the effective date of the organization's exemption under California law.

Disclosure of Materials

~~Once the FTB receives form FTB 3500A, any documents attached are open to public inspection.~~

~~Upon the organization's request, public disclosure of documents relating to any trade secrets, patents, process, style of work, or apparatus may be withheld if the FTB determines that disclosure would adversely affect the organization. Additionally, public disclosure of documents may also be withheld if the disclosure would adversely affect national defense.~~

A Purpose

Use form FTB 3500A, to obtain California tax-exempt status, if the organization has a federal determination letter granting exemption under IRC section 501(c)(3).

B What and Where to File

Send the completed form FTB 3500A, with an original signature of an authorized individual, such as:

- An elected officer
- A director
- An authorized representative
- A trustee (if the organization is a trust)

Mail the form FTB 3500A, with a copy of the IRC section 501(c)(3) federal determination letter to:

EXEMPT ORGANIZATIONS UNIT MS F120
FRANCHISE TAX BOARD
PO BOX 1286
RANCHO CORDOVA CA 95741-1286

If you have questions about the form, call (916) 845-4171 (not toll-free).

If additional information is required, we will contact the officer or representative designated on form FTB 3500A.

C Incorporated and Unincorporated Organizations

Incorporated or unincorporated organizations that want to obtain California tax-exempt status must file form FTB 3500A. See General Information B, What and Where to File, for more information.

An unincorporated organization that has tax-exempt status and incorporates must reapply for California tax-exempt status.

D Incorporating in California

If the organization is not incorporated and wishes to do so, the organization should first incorporate, then file form FTB 3500A to obtain California tax-exempt status. See General Information B, What and Where to File, for more information.

To Incorporate in California, mail the following to the California SOS:

1. The original plus four copies of the articles of incorporation.
2. A \$30.00 check payable to the California Secretary of State (SOS) for the fees for filing the articles of incorporation. The California SOS will certify up to two copies of the filed document without charge, provided that the copies are submitted to the Secretary of State with the document to be filed. Any additional copies submitted will be certified with payment of \$8.00 per copy.

DOCUMENT FILING SUPPORT UNIT
SECRETARY OF STATE
PO BOX 944260
SACRAMENTO CA 94244-2600

Do not send form FTB 3500A, to the California Secretary of State.

~~If the proposed articles satisfy the requirements of the California Corporations Code, the California SOS files the original articles of incorporation, endorses any remaining copies, and returns the endorsed copies to the organization.~~

If the proposed articles do not satisfy the requirements of the California Corporations Code, the California SOS notifies the organization of the failure and advises how to remedy it.

For more information go to the California SOS website at sos.ca.gov or call (916) 657-5448 (not toll-free) with any questions regarding incorporating.

The articles of incorporation must not only meet the requirements of the California Corporations Code, they must also meet the requirements of the Revenue & Taxation Code (R&TC) 23701.

E Foreign Corporations

If the organization is incorporated in another state or country, it is considered a "foreign corporation."

~~However, the organization may qualify to do business in California by complying with the requirements of the California Corporations Code, which is administered by the California SOS.~~

To qualify to do business in California:

1. Follow the instructions for incorporating (General Information D, Incorporating in California), and submit the following documents, in lieu of the articles of incorporation, to the California SOS:
 - A certificate of good standing from the state or country having custody of the original articles.
 - A completed Statement and Designation by Foreign Corporation (available on request from the California SOS).
2. ~~If the California SOS is satisfied that the organization meets the requirements of the California Corporations Code, the California SOS will file the original Statement and Designation by Foreign Corporation, endorse any extra copies, and issue a Certificate of Qualification to the organization.~~

F Trusts

Trusts organized and operated for purposes described in R&TC Section 23701d are treated as nonprofit corporations for tax-exempt purposes.

G Retroactive Exempt Status

For California franchise and income tax purposes, organizations seeking exemption based upon their federal IRC 501(c)(3) determination letter will be tax-exempt as of the effective date of the organization's federal tax-exempt status under IRC 501(c)(3). If the effective date of the

federal tax-exempt status differs from the incorporation date, and the organization seeks California tax-exempt status for a period earlier than the federal exemption date, then the organization should consider filing form FTB 3500, Exemption Application.

Specific Line Instructions

Make sure entries have been made for the following:

- California corporation number (a valid seven digit number assigned by California SOS or the FTB) or California SOS file number is an LLC number that is 10-12 digits and begins with "19" or "20"
- Federal employer identification number (FEIN) a nine digit number
- Organization or LLC name (use the legal name shown on the creating documents).
- Address

Private Mail Box (PMB) – Include PMB number in the address field. Write "PMB" first, then the box number. Example: 111 Main Street PMB 123.

PART I — Purpose and Activity

Line 1 – Primary purpose and activity

Check the box that matches the purpose and activity reflected in the federal application that resulted in the issuance of your 501(c)(3) federal determination letter.

Line 2 – Accounting period

Enter the annual accounting period used by the entity. The accounting period must end on the last day of the month.

PART II — Entity Information

Line 1 – Entity type

Check the box for the entity type of the exempt organization.

- Corporation: The entity has endorsed Articles of Incorporation from the California SOS, or is a foreign entity that has Articles of Incorporation on file in another state or country.
- Association: The entity is not incorporated in California, another state or country.
- Trust: A trust may be created by language in a will or in a written trust instrument. The trust creates legal obligations for the person (trustee) who manages the assets of the trust.

Line 2 – Private Foundation

Check the box if the entity is considered a private foundation by the IRS.

Line 3 – Organizational Structure

Check the box that describes your organizational structure.

- Public Benefit: A public benefit corporation must be formed for public or charitable purposes and may not be organized for the private gain of any person. A public benefit corporation cannot distribute profits, gains or dividends to any person.
- Mutual Benefit: A corporation that is organized most often for the benefit of their own members. They may not be formed exclusively for charitable purposes. If a mutual benefit corporation holds some of its assets for charitable purposes, it must register and report on the charitable assets to the Attorney General of the State of California.
- Religious: Corporations that are organized for religious purposes.
- Foreign Corporation: Incorporated in another state or country. Give the name of the state or foreign country in which the entity is incorporated.

Line 4 – IRS information

If your entity was suspended, revoked or audited by the IRS, check the "Yes" box and explain the reason for the suspension, revocation or audit by the IRS.

PART III — Group Exemption

The parent organization must have California tax-exempt status before it can apply for "group exemption."

Line 1 – Subordinates exempt under IRC section 501(c)(3).

Verify that all subordinates claimed in the Group Exemption will be exempt under IRC section 501(c)(3). Once verified, check the box.

Line 2 – Federal Group Number

Enter the Federal Group Number assigned to the parent organization. The number is located on the federal group determination letter.

Line 3 – List of subordinates

Include a list of subordinates to be covered under the group exemption. The list must include:

- A list of California subordinates, their organization number (if any), and current mailing address.
- The federal employer identification number (FEIN).